

SPRAGENS & HIGDON, P.S.C.
ATTORNEYS AT LAW

ROBERT SPRAGENS, JR.*
FREDERICK A. HIGDON

P. O. BOX 681 - 15 COURT SQUARE
LEBANON, KENTUCKY 40033-0681
TELEPHONE (270) 692-3141
FAX: (270) 692-6693

ROBERT SPRAGENS, SR.
(1920-1998)

*ALSO ADMITTED IN GEORGIA

GENERAL E-MAIL: sh@spragenshigdonlaw.com
WRITER'S E-MAIL: rspragens@spragenshigdonlaw.com

November 23, 2010

RECEIVED

NOV 29 2010

PUBLIC SERVICE
COMMISSION

Richard W. Bertelson, III, Staff Attorney
Kentucky Public Service Commission
211 Sower Boulevard
P.O. Box 615
Frankfort, KY 40602-0615

Re: PSC Case No. 2010-00296
Taylor County RECC

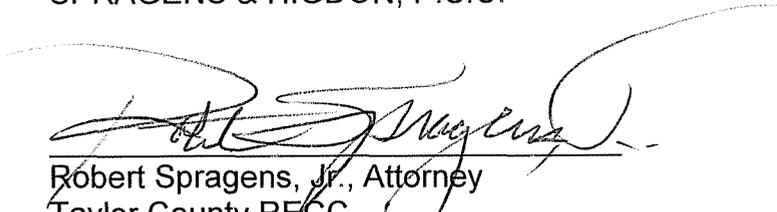
Dear Rick:

Consistent with your email of November 17th, I enclose herewith the updated financial exhibit which confirms the amount of Taylor County's new CoBank loan, together with the savings achieved thereby.

Actually, my file reflects that I prepared for filing on August 26th a Notice of Compliance by means of which this same information would have been forwarded to the Commission. However, in light of your advice that a recitation of cash-flow savings is not in the file, and my further discovery that I don't have a cover letter forwarding that information, I must conclude that that previous Notice did not leave my office. I appreciate your calling this to my attention, and I remain,

Yours very truly,

SPRAGENS & HIGDON, P.S.C.



Robert Spragens, Jr., Attorney
Taylor County RECC

RS,JR:js
Enclosures

cc: Mr. John F. Patterson, Office Manager
Taylor County RECC

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

IN THE MATTER OF:

APPLICATION OF TAYLOR COUNTY RURAL)
ELECTRIC COOPERATIVE CORPORATION)
FOR AUTHORIZATION TO BORROW)
\$5,420,315.37 FROM COBANK AND EXECUTE) CASE NO.
NECESSARY NOTES AND TO REPAY RURAL) 2010-00296
UTILITIES SERVICES 5 PERCENT NOTES IN)
THE SAME AMOUNT.)

RECEIVED

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PUBLIC SERVICE
COMMISSION

NOTICE OF COMPLIANCE

Applicant, Taylor County Rural Electric Cooperative Corporation, by counsel, acting consistent with the requirements of the Commission's Order entered on August 6, 2010, files herewith requisite copies of its updated version of Exhibit 2, Attachment B, Tab 1, Page 2 from its application, which reflects the applicant's savings based upon the subject CoBank loan which is in the actual amount of \$5,420,301.68.

DATED this 24TH day of November, 2010.

SPRAGENS & HIGDON, P.S.C.
Attorneys at Law
15 Court Square - P. O. Box 681
Lebanon, (270) 692-3141
Telephone: (270) 692-3141

By


ROBERT SPRAGENS, JR.
Counsel for Taylor County Rural
Electric Cooperative Corporation

RUS notes proposed for refinancing:

Note ID	Principal Balance	Final Payment Date	Years Remaining	Weighted Average Life
1B140	208,352.77	08/31/2014	4.09	2.31
1B142	208,352.77	08/31/2014	4.09	2.31
1B150	227,997.37	11/30/2016	6.34	3.52
1B152	227,997.37	11/30/2016	6.34	3.52
1B160	370,784.62	11/30/2018	8.34	4.47
1B162	370,784.62	11/30/2018	8.34	4.47
1B170	353,721.41	08/31/2021	11.09	6.08
1B171	270.03	08/31/2021	11.09	6.11
1B173	364,337.90	08/31/2021	11.09	6.11
1B180	684,995.19	01/31/2025	14.52	8.15
1B182	684,995.19	01/31/2025	14.52	8.15
1B190	858,863.14	08/31/2028	18.10	10.43
1B195	674,873.59	08/31/2028	18.10	10.43
1B196	183,975.71	08/31/2028	18.10	10.43
Totals	5,420,301.68		18.10	7.25

Note: The Principal loan balances above are as of July 31, 2010.

Interest Savings (over life of notes):

<u>Total Interest RUS @ 5.00%</u>	<u>Total Interest CoBank @ 4.52%</u>	<u>Total Savings</u>
\$1,954,024	\$1,796,357	\$157,654
CoBank Cash Patronage Refund:		\$254,042
CoBank Stock Patronage Refund:		<u>\$136,792</u>
Total Life Time Benefit:		<u>\$548,488</u>
Present Value of Benefit (discounted @ 5.00%)		<u>\$366,934</u>

There are no prepayment penalties arising from prepayment of RUS debt. CoBank would document this transaction using outside counsel to be paid by Taylor County. The estimated cost is \$5,000 and is included in the loan analysis under tab 2 (shown in the column Patronage Refund). The documentation cost is considered in the effective interest rate analysis.

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